

MINUTES OF REGULAR MEETING
ILLINOIS GAMING BOARD
MARCH 15, 1994
CHICAGO, ILLINOIS

A Regular Meeting of the Illinois Gaming Board was held on March 15, 1994. The meeting was held in Room 500 C of the State of Illinois Building, 160 North La Salle Street, Chicago, Illinois. The Regular Meeting was called pursuant to previous Board action and notice was duly and timely given to each Board Member and the public in conformity with the Illinois Open Meetings Act, 5 ILCS 120.

The following Board Members were present: J. Thomas Johnson, Chairman; and Members William B. Browder, Gayl S. Pyatt and Robert F. Vickrey. Member J. William Roberts was absent due to a scheduling conflict. Additionally, Interim Administrator Joseph F. Mc Quaid and Chief Legal Counsel Donna B. More; the media and general public were in attendance.

The meeting was called to order by Chairman Johnson at 9:31 A.M.

Ms. Pyatt moved that pursuant to the Open Meetings Act, 5 ILCS 100, Section 120/2 (g), (h) and (k) that the Board retire to Closed Session to consider the following subject matters:

1. Staff reports regarding Suppliers Licenses,
2. Staff reports regarding Occupational Licenses,
3. Matters concerning Owners Licenses that were confidential pursuant to the Open Meetings Act,
4. Recommendations of the Administrative Law Judge,
5. Investigatory matters,
6. Personnel matters.

Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote and the Board retired to Closed Session at 9:36 A.M.

The Illinois Gaming Board reconvened in Open Session at approximately 12:30 P.M. Members Johnson, Browder, Pyatt and Vickrey were present.

The first order of business concerned the approval of minutes.

Ms. Pyatt moved that the Minutes of February 16, 1994 Regular Meeting be approved. Mr. Browder seconded the motion. With one correction offered, the Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned the report of the Administrator.

Interim Administrator Mc Quaid reported that cruise disruptions in January, 1994 collectively totaled 71.8%, due mainly to weather conditions. He further reported that the monthly report on underage patrons had been submitted.

The next order of business concerned Elgin Riverboat Resorts.

Mr. Dan Azrak appeared on behalf of the applicant. He told the Board that construction of land based facilities and a riverboat continued. He noted that 175 construction employees had been hired and were working two shifts. Mr. Azrak stated that relocation of existing utilities by Commonwealth Edison was nearly complete. Additionally, the Illinois Division of Water Resources had issued a dredging permit and the U.S. Army Corps of Engineers was expected to issue findings during the week of March 15, 1994. Mr. Azrak stated that operations were expected to commence in November, 1994.

The next order of business concerned Owners Licensees. The Chairman first recognized Alton Gaming Company.

Mr. J. Thomas Long, Chief Executive Officer, appeared on behalf of the licensee. Mr. Long requested approval of a financing plan for Argosy Gaming Company. Under the financing plan, Argosy would issue up to \$230 million of convertible subordinated unsecured notes which would mature during 2001 - 2004.

Mr. Vickrey moved that the Board authorize Argosy Gaming Company's request for financing pursuant to a public offering of up to \$230 million of convertible subordinated unsecured notes maturing 2001 - 2004. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Long next requested the Board to clarify previous action concerning approval and securing of a \$50 million interim loan.

Ms. Pyatt moved to authorize Alton Gaming Company to borrow up to \$50 million and to secure the loan with its assets and pledge of its stock. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The Chairman next recognized Jo Daviess Riverboat Joint Venture.

Mr. Joe Duelman, President of Aerie Hotel and Resorts, appeared on behalf of the licensee. He requested Board approval of a restructuring plan under which consolidation of ownership interests would occur resulting with HP, Incorporated becoming the holder of the Owners License. Mr. Duelman also told the Board that the transfer of land title from the late Leonard Ring was incomplete. The matter was deferred to the April, 1994 Regular Meeting.

The Chairman next recognized Hollywood - Casino Aurora, Inc.

Mr. Richard Knight, President, appeared on behalf of the licensee. He requested Board approval of a revised cruise schedule which would provide for gaming during 23 hours, 45 minutes each day. Mr. Knight, joined by attorney John Janicik, advised the Board that a refinancing proposal would be sought by the licensee. Mr. Janicik told the Board that due to regulations of the Security and Exchange Commission, he was prohibited from discussing the details in a public forum. Both matters were deferred to future meetings of the Board.

The Chairman next recognized Empress Riverboat Casino Corporation.

Mr. John Janicik, attorney, appeared on behalf of investor William J. Krug. Mr. Krug requested Board approval to transfer ownership shares to a trust. It was noted that staff recommended approval of the request.

Mr. Vickrey moved that the request of investor William J. Krug to transfer his shares in the Empress Riverboat Casino Corporation to a revocable living trust be approved. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Kevin Larson, President, appeared on behalf of the licensee and requested approval for several off-track pari-mutuel betting terminals to be located on the premises. The matter was deferred to the April, 1994 Regular Meeting.

The next order of business concerned Suppliers Licenses.

Ms. Pyatt moved that the following Suppliers Licenses be renewed:

Bicycle Acquisition Corporation,
George C. Matteson Company
Nevada Dice Company d/b/a Bud Jones Company.

Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned Occupational Licenses.

Mr. Vickrey moved that the Board approve the applications for Occupational License Level 1 received from:

Whitney Crowell
Danny E. Elsey
Eddie E. Gilmore
James R. Klimesh
Duncan A. La Chapelle
David Moen
Judith Talbott
Stephen Whitaker.

Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Vickrey moved the Board accept the staff report and recommendations and approve the applications received for Occupational License Levels 2 & 3. (It was noted the motion included 161 Level 2 and 296 Level 3 applications.) Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Vickrey moved the Board accept the staff report and recommendations and deny the applications received for Occupational License Level 2 & 3. (It was noted the motion included 2 Level 2 and 11 Level 3 applications.) Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned reports of the Administrative Law Judge.

Mr. Vickrey moved that whereas the Board had received requests to withdraw hearing requests in conjunction with requests to reapply for Occupational Licenses within the one year time from and whereas the Board determined that the public interest would be best served by allowing these requests, that the Board approve the following requests to withdraw from hearing and reapply within one year of March 15, 1994:

Robert L. Anderson
Beverly Boken
Wesley M. Bushnell
William S. Edwards
Tracy Kondick
Roy D. Mercer
Henry L. Smith
Steven Ehrler
Donald Henderson
John Kindelspire
Sheldon Williams.

Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Vickrey moved that the requests for hearing received from:

Sammie Stevenson
Patrick Taylor
John T. Williams,

be denied as the requests did not comply with Rule 3000.405 (a) (4) and that the applicants be allowed to reapply for Occupational Licenses within one year of March 15, 1994. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next item of business concerned pending investigations.

Ms. Pyatt moved that the Complaint for Disciplinary Action, 94-DC-1, involving Hollywood Casino-Aurora, Inc. be issued. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Complaint for Disciplinary Action, 94-DC-2, involving Michael Wick be issued. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Complaint for Disciplinary Action, 94-DC-3, involving Par-a-dice Gaming Corporation be issued. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Complaint for Disciplinary Action, 94-DC-4, involving John Lannen be issued. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next item of business was old business.

Chairman Johnson announced that the search for an Administrator was continuing.

Mr. Vickrey requested that municipal officials of licensee communities be asked to appear before the Board to discuss the impact of riverboat gambling in their communities. The Chairman instructed staff to develop a plan to examine economic impact of riverboat gambling as part of the license renewal process. Chairman Johnson further suggested that the Board may wish to secure a third party evaluation of economic impact.

Mr. Thomas Moore was recognized by Chairman Johnson. He requested that the Board consider a request of Par-a-dice Gaming Corporation at the April, 1994 agenda. The Chairman stated that the request would be considered at a future Board meeting.

There being no further business, Mr. Browder moved that the Board retire to Closed Session for the purpose of discussing personnel matters and that the Board stand adjourned. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote and the Board adjourned at 1:38 P.M.

Respectfully submitted,

James A. Nelson
Secretary of the Board

